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CO-ORDINATING COMMITTEEEXPORT CONTROLS SUB-COMMITTEETHIRD COUNTRY NON-CO-OPERATION IN THE T.A.C. SCHEMEMEMORANDUM BY THE UNITED KINGDOM DELEGATION

(References: Cocom Documents 3519 and Sub-C(59) 2 (paragraph 126))

At the May 1959 meeting of the Sub-Committee on Export Controls, it was agreed to resume discussion of this subject when member Governments had had an opportunity for adequate study of the United States Delegation's memorandum (COCOM Doc. 3513).

2. The United Kingdom Government operates transshipment licensing in respect of all goods on the International Lists proceeding to all destinations; currently an Open General Licence permits transshipment in the United Kingdom (without individual licence) of all strategic goods destined for the Commonwealth, the Irish Republic and the United States of America.

3. In the case of strategic goods originating in a non-COCOM country not participating in the TAC Scheme, and which are transhipped in the United Kingdom en route for the Sino-Soviet bloc, the United Kingdom Government would require, before authorising a transshipment licence, evidence that the authorities in the originating country had approved that export to the destination indicated. In those circumstances (which rarely arise), the transshipment licence would normally be granted. If, however, it was found that the principal in the transaction was a resident of a participating country, a T.A.C. issued by that country would be called for.

4. Transaction Controls have existed in the United Kingdom since 1955. Under these controls, a person in, or ordinarily resident in the United Kingdom is prohibited from disposing of any strategic goods lying anywhere outside the United Kingdom, to the government, any government agency or other authority of, or to any person in, any country or territory in the Sino-Soviet bloc. Additionally, the disposal of the goods to any person whatsoever is prohibited if the principal in the United Kingdom has reasonable cause to believe that the goods may be imported directly or indirectly into any such country or territory. Disposal under these regulations means disposal whether inside or outside the United Kingdom and includes disposal of ownership or any proprietary interest, or of the right to possession, or of possession whether or not accompanied by any disposal of ownership or of any proprietary interest or of the right to possession. It does not however include disposal by a carrier (otherwise than by way of sale) in the course of his business as such.

5. Accordingly, in cases where a firm or individual in the United Kingdom acts as principal in a transaction involving the movement of strategic goods from anywhere outside the United Kingdom directly or indirectly to the Sino-Soviet bloc (or indeed if the goods are sold knowingly to a person who is involved in a transaction of this nature), a United Kingdom special licence under these regulations is required, and would not normally be granted. If exceptionally such a licence were to be issued and the goods /originated

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originated or were lying in a country not participating in the T.A.C. scheme; the United Kingdom Government would in addition, and on request, issue its Transit Authorisation Certificate.

6. In accordance with the recommendation of the Sub-Committee on Export Controls (COCOM Doc. Sub-C(59) 2, paragraph 149) copies of United Kingdom publications covering the International Lists have been sent to the Secretariat. Copies of the Export of Goods (Control) Order 1959 (and amendments), the Open General Transhipment Licence dated 16th February, 1959, and the Strategic Goods (Control) Order, 1959 (to which documents this memorandum refers) were included therein.

United Kingdom Delegation,  
PARIS.

February 9, 1960.

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